

To the Members of the California State Assembly:

I am returning Assembly Bill 527 without my signature.

Increasing investments in energy efficient technologies for state buildings is an important and laudable goal. Indeed, in 2004, I signed Executive Order S-20-04 which committed the state to reduce state building electricity usage by encouraging the implementation of cost-effective measures for facilities owned, funded or leased by the state.

This measure attempts to provide funding for state investment in emerging energy efficient technologies in state buildings by creating a new fund in which all state agencies would be required to deposit three percent of their annual utility budget, as determined by the Department of Finance.

Statutory auto-pilot budgeting removes our ability to make responsible fiscal decisions as we work together to craft the state budget each year. Just like all programs across state government, we must decide where General Fund dollars should be spent based on the state's fiscal outlook for each budget year.

Although for a worthwhile cause, this bill would automatically redirect a cumulative average of \$23 million each year away from state agencies. I cannot support such a circumvention of the deliberative budget process.

Sincerely,

Arnold Schwarzenegger